

103^D CONGRESS
2^D SESSION

H. R. 3790

To protect rural electric borrowers.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1994

Ms. LONG (for herself, Mr. SKELTON, and Mr. GUNDERSON) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To protect rural electric borrowers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Consumer Pro-
5 tection Act of 1994”.

6 **SEC. 2. PROTECTION OF RURAL ELECTRIC BORROWERS.**

7 The Rural Electrification Act of 1936 (7 U.S.C. 901
8 et seq.) is amended by inserting after section 16 the fol-
9 lowing:

1 **“SEC. 17. PROHIBITION AGAINST CURTAILMENT OR LIMITA-**
2 **TION OF SERVICES OF ELECTRIC BORROW-**
3 **ERS.**

4 “(a) IN GENERAL.—Except as provided in subsection
5 (b) of this section, section 306(b) of the Consolidated
6 Farm and Rural Development Act shall apply to a bor-
7 rower of an electric loan made or guaranteed under this
8 Act in the same manner in which such section applies to
9 an association referred to in such section.

10 “(b) EXCEPTIONS.—

11 “(1) WAIVER BY THE BORROWER.—A borrower
12 of an electric loan made or guaranteed under this
13 Act may agree to waive part or all of the protection
14 afforded by subsection (a).

15 “(2) PUBLIC INTEREST.—

16 “(A) IMPARTIAL FINDING.—A municipality
17 may curtail or limit the ability of a borrower of
18 a loan made or guaranteed under this Act to
19 provide electric service if an independent third
20 party, pursuant to this paragraph, determines
21 that the curtailment or limitation—

22 “(i) is in the public interest;

23 “(ii) will benefit consumers residing in
24 the area in which the curtailment or limi-
25 tation is to be imposed; and

1 “(iii) will not adversely impact con-
2 sumers residing outside the area.

3 “(B) USE OF INDEPENDENT THIRD
4 PARTY.—If a borrower of a loan made or guar-
5 anteed under this Act does not agree to a re-
6 quest of a municipality to curtail or limit the
7 ability of the borrower to provide electric serv-
8 ice, the municipality may request the Governor
9 of the State to select an independent third
10 party to make the determination described in
11 subparagraph (A).

12 “(C) SELECTION OF INDEPENDENT THIRD
13 PARTY.—Upon receipt of a request under sub-
14 paragraph (B), the Governor shall select as the
15 independent third party—

16 “(i) the public utility commission of
17 the State if the public utility commission is
18 authorized under State law to make the re-
19 quested determination; or

20 “(ii) any entity (including the public
21 utility commission of the State) qualified
22 to make the requested determination if the
23 Governor determines that the public utility
24 commission is not authorized under State
25 law to make the requested determination.

1 “(D) DETERMINATION OF INDEPENDENT
2 THIRD PARTY IS BINDING.—Any determination
3 made by an independent third party selected in
4 accordance with subparagraph (C) with respect
5 to a request of a municipality to curtail or limit
6 the ability of a borrower to provide electric
7 service shall be binding upon the borrower and
8 the municipality.

9 “(c) INTERPRETIVE RULE.—Subsection (a) shall not
10 be construed to prevent a municipality from imposing a
11 usual, customary, and nondiscriminatory fee on a bor-
12 rower of a loan made or guaranteed under this Act.”.

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